Quarterly Operations Review

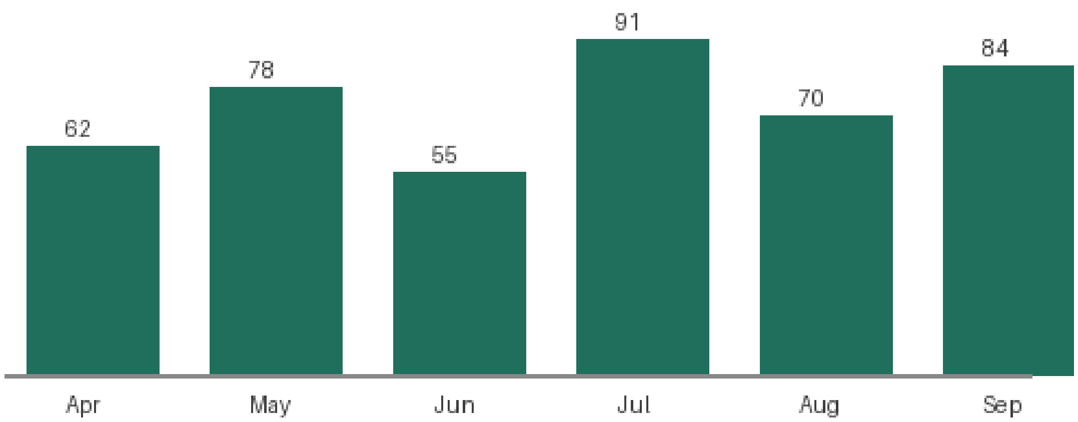
Executive Summary

Output across the four operating regions rose 12.4 per cent against the prior quarter, driven mainly by the commissioning of two additional lines at the western facility. Unit costs fell more slowly than volume grew, which is consistent with the fixed-cost profile described in the previous review.

Downtime remains the largest single drag on throughput. Unplanned stoppages accounted for 6.1 per cent of scheduled hours, against a target of 4.0 per cent. The maintenance backlog is the proximate cause and is being addressed in the current period.

Working capital tightened slightly. Receivable days moved from 47 to 52, reflecting two large accounts that slipped past terms rather than any broad deterioration in collection.

Monthly Throughput



The chart above shows indexed throughput by month. July was the strongest period on record; the June dip corresponds to the planned shutdown at the northern site.

Regional Detail

The table below summarises performance by region. Figures are unaudited and exclude intercompany transfers.

Region	Units	Revenue	Downtime %
North	1,240	892,400	5.2
West	2,110	1,580,500	4.1
South	1,750	1,298,000	7.8
East	980	701,300	6.9
TOTAL	**6,080**	**4,472,200**	**6.1**

Outlook

Guidance for the coming quarter is unchanged. The principal risk is the maintenance backlog; if stoppages remain above six per cent, the volume guidance will not hold and will be revised at the interim update.

No changes to capital allocation are proposed. The board will review the western expansion once two full quarters of post-commissioning data exist.